

Myton City Housing Authority dba Housing Authority of the Uintah Basin

Independent Auditors' Reports, Management's Discussion and Analysis, and Supplemental Information

March 31, 2006

# Myton City Housing Authority dba Housing Authority of the Uintah Basin

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# Independent Auditors' Report on Financial Statements and Supplementary Schedules

To the Board of Commissioners Myton City Housing Authority Roosevelt, Utah

We have audited the accompanying financial statements of the business-type activity of the Myton City Housing Authority (the Authority), as of and for the year ended March 31, 2006, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activity of the Authority as of March 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 21, 2006, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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# Board of Commissioners Myton City Housing Authority

The management's discussion and analysis on pages 3 through 8 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of the Authority's basic financial statements. The accompanying Financial Data Schedules I and II on pages 18 through 22 are presented for purposes of additional analysis, as required by the U.S. Department of Housing and Urban Development. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Child, Van Wagener & Bradshaw Child, Van Wagener & Bradshaw, PLLC

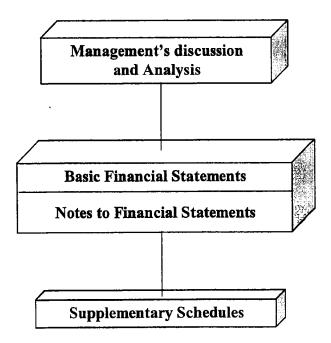
Kaysville, Utah August 21, 2006

#### INTRODUCTION

The Myton City Housing Authority (the Authority) was created under the laws of the state of Utah, and certified by the United States Department of Housing and Urban Development (HUD). The purpose of the Authority is to administer programs in the area under the Housing Act of 1937, as amended. The Federal Government subsidizes these programs by direct awards through HUD. The Authority is governed by a seven-member board of commissioners, which is appointed by the City Mayor of Myton City. The Board, in turn, elects a Chairperson and employs an Executive Director to administer the affairs of the Authority.

The Authority presents this discussion and analysis of its financial performance during the fiscal year (FY) ended March 31, 2006, to assist the reader in focusing on significant financial issues and concerns. This discussion and analysis is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, issued June 1999.

The Authority's FY2006 annual financial report consists of two parts – the management's discussion and analysis, and the basic financial statements (which include notes to those financial statements). Also included are supplementary schedules that show information that was sent to HUD related to our basic financial statements.



The basic financial statements provide information about the Authority's overall financial position and results of operations. These statements, which are presented on the accrual basis, consist of the Statement of Net Assets, the Statement of Activities and Changes in Net Assets and the Statement of Cash Flows. The basic financial statements also include a "Notes to Financial Statements" section that provides additional information that is essential to a full understanding of the data provided in the basic financial statements.

The primary focus of the Authority's financial statements is on a single business-type activity that combines all programs administered by the Authority. This discussion and analysis is focused on the primary activities of the Authority.

#### FINANCIAL HIGHLIGHTS

Under GASB Statement No. 34, the Authority's single business-type activity financial statements for FY2006 report on all of the Authority's assets, liabilities, revenues, expenses, and net assets under the programs it administers. A summary of the current-year results in comparison with the prior year results follows:

- Net assets of the Authority increased \$266 as of March 31, 2006, from the prior year.
- Operating revenues of the Authority increased by \$2,634, or 2.2%, over prior year results.
- Current liabilities increased by \$4,266 over the prior year.
- The increase in cash and cash equivalents for the year was \$4,735.

#### **AUTHORITY FINANCIAL STATEMENTS**

The Authority is presenting its FY2006 discussion and analysis based on the financial results of its enterprise program in three basic financial statements – the Statement of Net Assets; the Statement of Activities and Changes in Net Assets; and the Statement of Cash Flows. The Statement of Net Assets reports all financial and capital assets of the Authority and is presented in a format where assets equal liabilities plus net assets. Net assets are broken down into the following three categories:

Net assets, invested in capital assets, net of related debt consists of all capital assets net of
accumulated depreciation, reduced by the outstanding balances of mortgages, notes, or other
borrowings that are attributable to the acquisition, construction, or improvement of these
assets.

- Restricted net assets consists of assets that are restricted by constraints placed on the asset by external parties, such as creditors, grantors, contributors, laws, or regulations reduced by liabilities payable from such assets.
- Unrestricted net assets consists of net assets that do not meet the definition of net assets invested in capital assets, net of related debt or restricted net assets.

The Statement of Activities and Changes in Net Assets (similar to an income statement) includes operating revenues, such as rental income; operating expenses, such as administrative, utilities, maintenance, and depreciation; and nonoperating revenues and expenses, such as investment income and interest expense. The statement's focus is the change in net assets, which is similar to net income or loss.

Finally, a Statement of Cash Flows is included, which discloses net cash provided by or used for operating activities, capital and related financing activities, and investing activities.

These financial statements utilize the economic resources measurement focus and the full accrual basis of accounting. They report the Authority's net assets and changes in net assets in full compliance with GASB Statement No. 34. Under the full accrual basis of accounting, revenues are recognized in the period they are earned and expenses in the period they are incurred.

The entity-wide presentation represents one different program and activity. This program is financed by federal grants from HUD, rents, and other user charges resulting from operations of subsidized housing, by management fees, and by investment income and loan proceeds. In FY2006, the following program makes up the Authority's single business-type activities financial statements:

• Section 8 Housing Choice Vouchers — This program is funded by HUD and is a subsidy program for low- and moderate-income families seeking housing in the private rental market.

#### **Net Assets**

The Authority's overall financial position and operations for the past two years are summarized below based on the information included in the current and prior financial statements.

# Myton City Housing Authority Statement of Net Assets

				Total
				Percentage
	200	5	2005	Change
Current assets	\$ 10	,955 \$	6,423	70.6%
Fixed assets, net of depreciation	39	,740	39,740	-%
Total assets	50	,695	46,163	9.8%
Current liabilities	9	,071	4,805	88.8%
Total liabilities	9	,071	4,805	88.8%
Net assets:				
Invested in capital assets	39	,740	39,740	-%
Unrestricted net assets	1	,884	1,618	16. <b>4%</b>
Total net assets	\$ 41	,624 \$	41,358	0.6%

#### Total Assets

The Authority's total assets at March 31, 2006 were \$50,695, an increase of \$4,532, or 9.8%, from March 31, 2005.

#### Cash and cash equivalents

Cash and cash equivalents increased by \$4,735, 76.1%, in FY2006. The increase is due to HUD prepayments.

#### Current Liabilities

Total current liabilities increased by \$4,266, 88.8%, in FY2006. The increase is due to prepayments from HUD for the vouchers program.

#### Net Assets

The Authority's net assets increased by \$266, or 0.6%, during FY2006. At March 31, 2006, capital assets comprise 78.4% of the Authority's total assets. The amount invested in capital assets, net of related debt, amounts to about 95.5% of total net assets.

The Authority's net assets also consist of unrestricted net assets. Unrestricted net assets would include cash in the bank, receivables, and other assets less all other liabilities not previously applied. At March 31, 2006, unrestricted net assets amounts to about 4.5% of total net assets.

#### Statement of Activities and Changes in Net Assets

The results of operations for the Authority are presented below:

# Myton City Housing Authority Statement of Activities and Changes in Net Assets

			Increase/(D	Decrease)
	2006	2005	Amount	Percentage
Operating revenues:				
HUD PHA operating grants	\$ 124,721	\$ 122,087	\$ 2,634	2.2%
Total operating revenues	124,721	122,087	2,634	
Operating expenses:				
Administration	26,126	24,358	1,768	7.3%
Housing assistance payments	98,493	98,571	(78)	(0.1%)
Total operating expenses	124,619	122,929	1,690	
Operating income/(loss)	102	(842)	945	
Nonoperating revenues/(expenses):				
Interest income	164	48	116	241.7%
Nonoperating expenses, net	164	48	116	
Change in net assets	\$ 266	\$ (794)	\$ 1,060	

Operating revenues of the Authority's activities are generated principally from HUD PHA operating grants. In FY2006, the Authority's revenues for its activities totaled \$124,721, of which is from HUD PHA operating grants. Operating expenses of the Authority's activities consist primarily of housing assistance payments. Operating expenses total \$124,619, of which \$98,493, or about 79.0%, was for housing assistance payments.

About 0.1% of the Authority's total revenues in FY2006 were nonoperating revenues that are derived from interest income. The remaining 99.9% were operating revenues derived from HUD PHA operating revenues (99.9%).

The operating expenses are derived from administration (21.0%) and housing assistance payments (79.0%).

#### **CAPITAL ASSETS**

The Authority's capital assets as of March 31, 2006, included land, furniture and equipment that totaled \$39,740, most of which is comprised of land. Capital assets, net of depreciation, remained the same from the preceding year.

	2006	2005	Ch	ange
Land	\$ 39,740	\$ 39,740	\$	-
Furniture and equipment	843	843		-
Accumulated depreciation	(843)	(843)		-
Net fixed assets	\$ 39,740	\$ 39,740	\$	-

#### CONTACTING AUTHORITY MANAGEMENT

This financial report is designed to provide a general overview of the Authority's accountability for all those interested. Questions concerning this report or requests for additional financial information should be directed to the Executive Director, Myton City Housing Authority, 58 East 100 North, Roosevelt, Utah 84066.

### Myton City Housing Authority dba Housing Authority of the Uintah Basin Statement of Net Assets March 31, 2006

#### **ASSETS**

Current Assets:		
Cash (Note 2)	\$	6,496
Cash-PTIF (Note 2)		4,459
Total current assets		10,955
Fixed Assets:		
Land		39,740
Furniture and equipment		843
Total fixed assets		40,583
Less: Accumulated depreciation		(843)
Net fixed assets		39,740
Total assets	\$	50,695
LIABILITIES AND NET ASSETS		
Current Liabilities:	•	006
Accounts payable	\$	926
Accounts payable - HUD		8,145
Total liabilities		9,071
Net Assets:		
Invested in capital, net of related debt		39,740
Unrestricted net assets		1,88 <u>4</u>
Total net assets		41,624
Total liabilities and net assets	\$	50,695

### Myton City Housing Authority dba Housing Authority of the Uintah Basin Statement of Activities and Changes in Net Assets Year Ended March 31, 2006

REVENUES		
Federal subsidies	\$	124,721
Total revenues	•	124,721
EXPENSES		
Administrative expenses		26,126
Housing assistance payments	,	98,493
Total expenses		124,619
Operating income		102
Non-operating income		
Interest income		164_
Total non-operating income		164
Change in net assets		266
Net assets at beginning of year		41,358
Net assets at end of year	\$	41,624

## Myton City Housing Authority dba Housing Authority of the Uintah Basin Statement of Cash Flows Year Ended March 31, 2006

Cash flows from operating activities		
HUD PHA operating grants	\$	124,721
Interest		164
Total receipts		124,885
Administrative		25,895
Housing assistance payments		94,255
Total disbursements		120,150
Net cash provided by operating activities	<del></del>	4,735
Cash flows from investing activities	<del></del>	
Cash flows from noncapital financing activities		<u> </u>
Cash flows from financing activities		
Net increase in cash and cash equivalents		4,735
Cash and cash equivalents at beginning of year		6,220
Cash and cash equivalents at end of year	\$	10,955
Reconciliation of change in net assets to net cash provided by operating activities:  Change in net assets	\$	266
•		
Adjustments to reconcile change in net assets to net cash provided by operating activities:	•	
Accounts receivable		203
Accounts payable		28
Accounts payable-HUD		4,238
Net cash provided by operating activities	\$	4,735

See accompanying notes to basic financial statements.

#### 1. Summary of Significant Accounting Policies

#### Organization and History

The Myton City Housing Authority (the Authority) was established by Myton City and is certified by the U.S. Department of Housing and Urban Development (HUD). The purpose of the Authority is to administer programs under the Housing Act of 1937, as amended. The Section 8 Vouchers program is subsidized by the Federal Government through HUD.

#### Financial Reporting Entity

The Governmental Accounting Standards Board (GASB) has issued Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units," which describes those entities that are considered component units for financial reporting purposes. The Authority is not considered a component unit of Myton City (the City), or any other government entity under the criteria of GASB Statement No. 14, as amended by GASB Statement No. 39, since the City exercises no oversight responsibility either financially or administratively over the Authority.

#### Basis of Presentation

In order to insure observance of limitations and restrictions placed on the use of resources available to the Authority, the accounts are maintained in accordance with the principles of fund accounting. The Authority participates in HUD programs on an enterprise fund basis. All of the Authority's programs are accounted for as one business-type activity for financial reporting purposes and neither fiduciary funds nor component units that are fiduciary in nature are included. The financial statement presentation provides an indication of the financial performance of the Authority as a whole. In addition, the Authority adopts the budget that has been approved by its Board.

In accordance with HUD prescribed accounting practices, the Authority has adopted GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting." The Authority has elected to apply all applicable FASB pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989. The Authority also elects to apply all FASB pronouncements after November 30, 1989 as long as they do not conflict with or contradict GASB pronouncements.

In June 1999, the GASB issued Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis - for State and Local Governments." This statement, known as the "Reporting Model" statement, affects the way the Authority prepares and presents financial information. GASB Statement No. 34 established new requirements and a new reporting model for the annual financial reports of state and local governments and had no impact on beginning net assets. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions and includes:

#### 1. Summary of Significant Accounting Policies (Continued)

#### Basis of Presentation (continued)

Management's Discussion and Analysis (new in the current year) – GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to analysis the private sector provides in its annual reports and is included as required supplementary information.

Statement of Net Assets – The Statement of Net Assets is designed to display the financial position of the primary government (business-type activities). There are no discretely presented component units. Governments report all capital assets in the government-wide Statement of Net Assets and reports depreciation expense – the cost of "using up" capital assets – in the Statement of Activities and Changes in Net Assets. There is no infrastructure. The net assets of the Authority will be broken down into three categories – 1) invested in capital assets, net of related debt, 2) restricted net assets, and 3) unrestricted net assets.

Statement of Cash Flows – The direct method is required by GASB Statement No. 34.

#### **Basis of Accounting**

The Authority's financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Under the accrual basis, revenues are recorded when earned and expenses are recorded when incurred. Revenues that have been received but not earned before the fiscal year end are recorded as deferred revenues.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. Principal operating revenues are intergovernmental revenues. Operating expenses include administration, maintenance, insurance, depreciation, utilities, and housing assistance payments. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses. This includes interest income and interest expense amounts, not discussed above.

#### Cash and Cash Equivalents

The Authority considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At March 31, 2006, cash and cash equivalents consists of cash and investments - PTIF.

#### 1. Summary of Significant Accounting Policies (Continued)

#### **Fixed Assets**

Property and equipment are recorded at cost and depreciated using the straight-line method of depreciation over the estimated useful lives of the assets, as shown below. When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. Maintenance and repairs, including the replacement of minor items, are expensed as incurred, and major additions to buildings, furnishings, and equipment are capitalized Construction in progress commences depreciation when the construction is complete and related assets placed in service.

Major Groupings
Furniture and equipment

<u>Useful Lives (years)</u>
5-7

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Recently Issued Pronouncements

In May 2005, the FASB issued SFAS No. 154, Accounting Changes and Error Corrections, a replacement of APB Opinion No. 20 and FASB Statement No. 3. This statement changes the requirements for the accounting for and reporting of a change in accounting principle. Previously, Opinion 20 required that most voluntary changes in accounting principle be recognized by including in net income of the period of change the cumulative effect of changing to a new principle. This statement requires retrospective application to prior periods' financial statements of changes in accounting principle, when practicable. The adoption of SFAS No. 154 did not have a material impact on the Authority's financial condition or results of operations.

#### 2. Deposits and Investments

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the State, and review the rules adopted under the authority of the State of Utah Money Management Act (the Act) that relate to the deposit and investment of public funds.

The Authority follows the requirements of the Act (*Utah Code*, Section 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of Authority funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

#### 2. Deposits and Investments (continued)

#### **Deposits**

#### Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority does not have a formal deposit policy for custodial credit risk. As of March 31, 2006, all of the Authority's bank balances of \$8,759 were insured and collateralized.

#### Investments

The Act defines the types of securities authorized as appropriate investments for the Authority and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with the issuers of the investments securities.

Statutes authorize the Authority to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Service or Standard & Poor's; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the Utah State Public Treasurer's Investment Fund.

Through May 2005, statutes also authorized the Authority to invest funds acquired by gift, private grant, and the corpus of funds functioning as endowments according to the rules of the Money Management Council. Rule 2 allows the Authority to invest these funds in any of the above investments or any of the following, subject to satisfying certain criteria: professionally managed pooled or commingled investment funds, or mutual funds which satisfy certain criteria; common stock, convertible preferred stock, or convertible bonds; corporate bonds or debentures; and alternative investments as defined in the rule. As of May 2, 2005, state law allows endowment funds of higher education institutions to be invested in accordance with Board of Regents default investment guidelines or in accordance with policies adopted by the Institution's Board of Trustees and approved by the Board of Regents. For the period ending June 30, 2005 the Board of Regents has required all institutions to continue investing endowment funds in accordance with Rule 2 of the money management act.

The Utah State Treasurer's Office operates the Public Treasurer's Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer.

#### 2. Deposits and Investments (continued)

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Act. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

For the year ended March 31, 2006, the Authority had investments of \$4,459 with the Utah Public Treasurers Investment Fund. The entire balance had a maturity of less than three months.

#### 3. Economic Dependency

A substantial amount of the revenues received by the Authority during the year ended March 31, 2006, came from U.S. Department of Housing and Urban Development. Programs operated by the Authority depend upon continued funding by the U.S. Government.

#### 4. Summary of Changes in Fixed Assets

A summary of changes in fixed assets for the year ended March 31, 2006 is as follows:

	]	Balance							E	Balance
	<u>03</u>	<u>/31/2005</u>	Addi	tions	Retir	ements	<u>Trar</u>	<u>isfers</u>	<u>03/</u>	<u>/31/2006</u>
Land	\$	39,740	\$	-	\$	-	\$	-	\$	39,740
Furniture & Equipmen	ıt	843								843
Total Fixed Assets	<u>\$</u>	40,583	\$		\$	-	\$		\$	40,583

#### 5. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Various insurance policies have been purchased to cover the risks described above. The insurance policies require minimal deductible amounts which the Authority pays in the event of any loss. The Authority also has purchased a workers' compensation policy. Settled claims resulting from losses have not exceeded commercial insurance coverage in any of the past three fiscal years.

The Authority's customers are primarily low-income rental tenants in the Roosevelt area that may be affected by changing economic conditions. Management believes that its credit review procedures and tenant deposits have adequately provided for usual and customary credit-related losses. The Authority's policy for charging off tenant receivables is to consider write-down of receivables extending beyond 120 days after significant collection efforts have been made or when the financial condition of tenants warrant charge-off. Tenant receivables are determined to be past due after 30 days regardless of whether partial payments have been received.

Supplementary Schedules

# Myton City Housing Authority dba Housing Authority of the Uintah Basin Financial Data Schedule I – Statement of Net Assets March 31, 2006

# Myton City Housing Authority dba Housing Authority of the Uintah Basin Financial Data Schedule I – Statement of Net Assets (continued) March 31, 2006

line Item No.	Included the team of the team	Housing Choice Vouchers	Total
312	Accounts Payable <= 90 Days		\$926
331	Programs	\$8,145	\$8,145
			\$9,071
350	Total Noncurrent Liabilities	80	\$0
300	Total Liabilities	\$9,071	\$9,071
508	Total Contributed Capital	80 80	80
508.1	Invested in Capital Assets, Net of Related Debt	\$39,740	\$39,740
511	Asset Total Reserved Fund Balance 是是是一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个		- OS
511.1	Restricted Net Assets	30	\$0
512.1	Unrestricted Net Assets	\$1,884	\$1,884
513	Total Equity/Net Assets	841/624	\$41,624
009	Total Liabilities and Equity/Net Assets Agents and Equity Net Assets Agents and Agents a	\$20,695	\$50,695
AND THE RESERVE THE PROPERTY OF THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON NAMED IN COLUMN TWO IS NAMED IN			

# Myton City Housing Authority dba Housing Authority of the Uintah Basin Financial Data Schedule II – Statement of Activities and Changes in Net Assets Year Ended March 31, 2006

đ	-⁄A∶ UT029	PHA: UT029 FYED: 03/31/2006	AND THE STATE OF T	TO SHEET AND A SHE
	ine Item No.	it Description	Housing Choice Vouchers	Total
12	05	롩	)\$	0
<u>_</u>				
Ŕ	9	HUD PHA Operating Grants \$1	24,721	124,721
7	1		64	164
2	0	Tolai Revenue,	24,885	124,885

# Myton City Housing Authority dba Housing Authority of the Uintah Basin Financial Data Schedule II – Statement of Activities and Changes in Net Assets (continued) Year Ended March 31, 2006

PHA: <b>UT</b> 029 F	PHA: <b>UT</b> 029 FYED: 03/31/2006		Section to the second section of
Line Item No.	Account Description	Housing Choice Vouchers	Total
912	Auditing Fees	VOICE	\$5,750
913	Outside Management Fees		\$20,376
696	Total Operating Expenses	\$26,126	26,126
026	Excess Operating Revenue over Operating Expenses	86\$ 62186\$	\$98,759
973	Housing Assistance Payments	<b>\$98</b> ,493	\$98,493
006	Total Expenses	\$124,619	\$124,619
1010	Total Other Financing Sources (Uses)	.0\$	80 ····
1000	🖙 🔆 Excess (Deficiency) of Operating Revenue Over (Unider) Expenses	\$266	\$266

# Myton City Housing Authority dba Housing Authority of the Uintah Basin Financial Data Schedule II – Statement of Activities and Changes in Net Assets (continued) Year Ended March 31, 2006

<b>5</b>	THA. 01023 F FED. 03/3 1/2000		_
Line Item	Account D	Housing Choice Vouchers	Total
1102	Debt Principal Payme	0	80
1103		\$41,358	\$41,358
1113	Maximum Annual Contributions Commitment (Per ACC)	128,959	\$128,959
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	0	80
1115	Contingency Reserve, ACC Program Reserve	526,795	\$26,795
1116	Total Annual Contributions Available	5155,754	\$155,754
1120	Unit Months Available	396	396
1121	OF HER LEVEL AND ADDRESS AND A	396	396



Douglas W. Child, CPA Marty D. Van Wagoner, CPA J. Russ Bradshaw, CPA William R. Denney, CPA Roger B. Kennard, CPA Scott L. Farnes Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Commissioners Myton City Housing Authority Roosevelt, Utah

We have audited the financial statements of the business activity and major fund of the Myton City Housing Authority (the Authority) as of and for the year ended March 31, 2006, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated August 21, 2006. That report noted that the Authority implemented Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments for the year ended March 31, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

# Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or m ore of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts, However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to reported under *Government Auditing Standards*.

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Suite B. 4F, North Cape Commercial Bldg. 388 King's Road North Point, Hong Kong Board of Commissioners Myton City Housing Authority

We noted certain matters that we reported to management of the Authority in a separate letter dated August 21, 2006.

This report is intended solely for the information of the audit committee, Board of Commissioners, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Child, Van Wogoner & Bradshaw Child, Van Wagoner & Bradshaw, PLLC

Kaysville, Utah August 21, 2006

# Myton City Housing Authority dba Housing Authority of the Uintah Basin Schedule of Findings and Questioned Costs Year Ended March 31, 2006

No matters were reported for the fiscal year ended March 31, 2006.

# Myton City Housing Authority dba Housing Authority of the Uintah Basin Schedule of Findings and Questioned Costs - Prior Year Year Ended March 31, 2006

No matters were reported for the year ended March 31, 2005.



Douglas W. Child, CPA Marty D. Van Wagoner, CPA J. Russ Bradshaw, CPA William R. Denney, CPA Roger B. Kennard, CPA Scott L. Farnes

# Myton City Housing Authority dba Housing Authority of the Uintah Basin Independent Auditors' Report on State of Utah Legal Compliance Year Ended March 31, 2006

Board of Commissioners Myton City Housing Authority Myton, Utah

We have audited the financial statements of the Myton City Housing Authority (the Authority), for the year ended March 31, 2006, and have issued our report thereon dated August 21, 2006. Our audit included test work on the Authority's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide including:

Cash Management
Other Compliance Requirements

The Authority did not receive any major or nonmajor State grants during the year ended March 31, 2006.

The management of the Authority is responsible for the Authority's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, the Authority complied, in all material respects with the general compliance requirements identified above for the year ended March 31, 2006.

Child, Van Wagoner & Bradshaw

Child, Van Wagoner & Bradshaw, PLLC

Kaysville, UT August 21, 2006

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